

**MINNESOTA
AGRICULTURAL
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SERVICE**

E-mail: nass-mn@nass.usda.gov
<http://www.nass.usda.gov/mn/>

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Minnesota & U.S.
Depts. of Agriculture
P O Box 7068
St. Paul, MN 55107
Phone (651) 296-2230

ALL FARM PRODUCTS INDEX DOWN 10 POINTS

The August All Farm Products index for Minnesota was down 10 points from July.

The Crops index for August was down 16 points from July.

Prices received by farmers for soybeans for August averaged \$6.65 per bushel, a decrease of \$1.73 from the July price.

Corn decreased 17 cents from July to an August price of \$2.30 per bushel.

The Meat Animal index decreased 1 point from last month. The all hog price for August was \$56.40 per cwt., a decrease of 50 cents from the July price. The all beef cattle price for August was \$78.00, a decrease of 90 cents from the July price.

The Dairy Products index was down 10 points from last month. The all milk price for August, at \$15.00 per cwt., was down 90 cents from July.

AVERAGE PRICES RECEIVED BY FARMERS

| Commodity And Unit | U.S. | -----Minnesota----- | | |
|-------------------------------|-------------------|---------------------|-----------------|-------------------|
| | August 2004 1/ | August 2003 2/ | July 2004 2/ | August 2004 1/ |
| Barley, Feed & Malting, bu 3/ | 2.45 | 2.29 | 2.45 | 2.38 |
| Beans, Dry Edible, All, cwt | 20.00 | 17.90 | 19.10 | 19.20 |
| Kidney, cwt | 4/ | 3/ | 3/ | 3/ |
| Navy, cwt | 4/ | 3/ | 3/ | 3/ |
| Pinto, cwt | 4/ | 3/ | 3/ | 3/ |
| Corn, bu | 2.27 | 2.03 | 2.47 | 2.30 |
| Hay, All, Baled, ton | 89.80 | 68.00 | 65.00 | 61.00 |
| Alfalfa, Baled, ton | 97.40 | 75.00 | 71.00 | 70.00 |
| Other, Baled, ton | 70.00 | 58.00 | 52.00 | 48.00 |
| Oats, bu | 1.31 | 1.25 | 1.30 | 1.21 |
| Potatoes, cwt | 6.31 | 5.90 | 4.75 | 6.50 |
| Soybeans, bu | 6.34 | 5.62 | 8.38 | 6.65 |
| Sunflowers, All, cwt 3/ | 13.00 | -- | 14.30 | -- |
| Wheat, All, bu | 3.13 | 3.51 | 3.61 | 3.38 |
| Calves, cwt | 131.00 | 97.70 | 117.00 | 120.00 |
| Cattle, All Beef, cwt 5/ | 88.10 | 71.40 | 78.90 | 78.00 |
| Cows, cwt, 6/ | 55.50 | 50.70 | 61.00 | 59.00 |
| Steers & Heifers, cwt | 91.50 | 77.90 | 83.70 | 83.00 |
| Milk Cows, head 7/ | -- | -- | 1,540.00 | -- |
| Hogs, All, cwt | 56.00 | 43.10 | 56.90 | 56.40 |
| Barrows & Gilts, cwt | 56.30 | 43.20 | 57.00 | 56.50 |
| Sows, cwt | 49.40 | 33.10 | 51.80 | 51.00 |
| Lambs, cwt 8/ | -- | 82.00 | 95.20 | -- |
| Sheep, cwt 8/ | -- | 23.00 | 30.00 | -- |
| Milk, All, cwt | 15.00 | 14.60 | 15.90 | 15.00 |
| Eggs, Table Market, doz | 0.33 | 0.67 | 0.41 | 0.34 |

1/ Preliminary 2/ Entire month data 3/ Price not published to avoid disclosure of individual firms 4/ Price not set at the US level 5/ "cows" and "steers and heifers" combined. 6/ Beef cows and cull dairy cows sold for slaughter. 7/ Animals sold for dairy herd replacement only. Prices published in Jan., Apr., Jul., and Oct. 8/ Preliminary prices discontinued Jan. 1996.

MINNESOTA INDEX OF PRICES RECEIVED (1977=100)

| Commodities | U.S.* | -----Minnesota----- | | |
|-------------------|-------------------|---------------------|-----------------|-------------------|
| | August 2004 1/ | August 2003 2/ | July 2004 2/ | August 2004 1/ |
| All Farm Products | 124 | 130 | 154 | 144 |
| Crops | 120 | 112 | 140 | 124 |
| Meat Animals | 122 | 148 | 179 | 178 |
| Dairy Products | 123 | 166 | 180 | 170 |
| Poultry & Eggs | 145 | 117 | 101 | 101 |

1/ Preliminary. 2/ Entire month data.

* U.S. based on 1990-92=100 reference replaces 1977 = 100 beginning Jan. 1995.

U.S. INDEX SUMMARY (1990-92 = 100)

| Item | July 2003 | August 2003 | July 2004 | August 2004 |
|--|--------------|----------------|--------------|----------------|
| Prices Received | 105 | 109 | 124 | 120 |
| Prices Paid (Interest, Taxes, Wage Rates) | 127 | 127 | 134 | 135 |
| Parity Ratio 1/ | 83 | 86 | 93 | 89 |

1/ Computed by dividing Prices Received Index by Prices Paid Index. *1990-92=100 reference replaces 1977=100 beginning January 1995.

CONSUMER PRICE INDEX

| | | | | |
|---------|-----------|-------|-----------|-------|
| 1982-84 | July 2003 | 183.9 | July 2004 | 189.4 |
|---------|-----------|-------|-----------|-------|

MINNESOTA CORN & SOYBEAN PRODUCTION DOWN FROM LAST MONTH

CORN production is forecast at 1,043.7 million bushels, down 3 percent from the August 1 forecast, up 7 percent from 2003. Based on September 1 conditions, the yield is forecast at 147.0 bushels per acre, down 4 bushels per acre from August 1. This forecast is up 1 bushel per acre from 2003.

SOYBEAN production for Minnesota as of September 1 is forecast at 262.8 million bushels. This is a 10 percent drop from the August 1 forecast, an increase of 15 percent from 2003. Soybean yield is forecast at 36.0 bushels per acre, down 4 bushels per acre from August 1, however, up 5 bushels per acre from 2003.

The **SUGARBEET** crop is forecast at 9.4 million tons, unchanged from the August 1 forecast. Yield is forecast at 19.6 tons per acre, unchanged from August 1, down 1.0 ton per acre from last year.

U.S. HIGHLIGHTS

CORN production is forecast at 11.0 billion bushels, up fractionally from last month and 8 percent above 2003. Based on conditions as of September 1, yields are expected to average 149.4 bushels per acre, up 0.5 bushel from August and 7.2 bushels above last year. If realized, both production and yield would be the largest on record. The previous record for both was set last year when production was estimated at 10.1 billion bushels and yield was 142.2 bushels per acre. Yields are forecast at record high levels in all Corn Belt States, except Minnesota and Wisconsin, as weather conditions have been mostly favorable throughout the growing season. However, brief periods of freezing temperatures in the northern Corn Belt and adjacent areas of the Great Plains raised concerns about the crop being able to fully develop before a killing frost occurs.

SOYBEAN production is forecast at 2.84 billion bushels, down 1 percent from the August forecast 17 percent above 2003. If realized, this would be the second highest production on record. Based on conditions as of September 1, yields are expected to average 38.5 bushels per acre, down 0.6 bushel from August. Below-normal temperatures and adequate moisture across most of the Corn Belt, the Great Plains, and the Delta in August favored the soybean crop during the critical stages of development. However, yield prospects declined in the northern tier of States due to cool weather. A brief period of freezing temperatures slowed the development of a crop already behind in maturity in North Dakota and Minnesota.

SUGARBEET production for 2004 is forecast at 28.5 million tons, 1 percent above the August forecast 7 percent below last year's production. Growers in the 12 sugarbeet-producing States expect to harvest 1.33 million acres, down fractionally from last month and 2 percent below last year. The yield is forecast at 21.5 tons per acre, up 0.1 ton from August but 1.2 tons below 2003.

MINNESOTA & U.S. HARVESTED ACRES, YIELD, AND PRODUCTION FORECAST

| COMMODITY | Acres Harvested | | Yield | | | Production | |
|------------------|-----------------|---------------|-------|-------|-------|---------------|---------------|
| | 2003 (000) | 2004 (000) | 2003 | 2004 | | 2003 (000) | 2004 (000) |
| | | | | Aug 1 | Sep 1 | | |
| MINNESOTA | | | | | | | |
| CORN (Bu) | 6,650 | 7,100 | 146.0 | 151.0 | 147.0 | 970,900 | 1,043,700 |
| SOYBEANS (Bu) | 7,400 | 7,300 | 31.0 | 40.0 | 36.0 | 229,400 | 262,800 |
| SUGARBEETS (Ton) | 487 | 479 | 20.6 | 19.6 | 19.6 | 10,032 | 9,388 |
| UNITED STATES | | | | | | | |
| CORN (Bu) | 71,139 | 73,377 | 142.2 | 148.9 | 149.4 | 10,113,887 | 10,960,710 |
| SOYBEANS (Bu) | 72,321 | 73,655 | 33.4 | 39.1 | 38.5 | 2,417,565 | 2,835,989 |
| SUGARBEETS (Ton) | 1,347.9 | 1,325.6 | 22.7 | 21.4 | 21.5 | 30,583 | 28,547 |

LAKE REGION HIRED WORKERS UP BY 7,000 FROM JULY 2003

Lake Region: There were 69,000 hired workers on Lake Region (Minnesota, Michigan, Wisconsin) farms the week of July 11-17, 2004, up 7,000 from a year ago. Weather conditions during the survey week were generally dry with below-average temperatures in Minnesota. Farm operators paid their hired workers an average wage rate of \$9.30 per hour during the July 2004 survey week, down by 6 cents from July 2003. Field workers received an average of \$8.29 per hour, a 5-cent decrease from a year ago. Livestock workers earned \$9.13 per hour compared with \$8.95 a year earlier. The Field and Livestock Workers combined wage rate at \$8.55 per hour was unchanged from last year. The number of hours worked averaged 36.4 for hired workers during the survey week compared with 36.2 hours a year ago.

United States: There were 1,293,000 hired workers on the Nation's farms and ranches during the week of July 11-17, 2004, up 2 percent from a year ago. Of these hired workers, 953,000 were hired directly by farm operators. Agricultural service employees on farms and ranches made up the remaining 340,000 workers. Farm operators paid their hired workers an average wage of \$9.10 per hour during the July 2004 reference week, up 22 cents from a year ago. Field workers received an average of \$8.42 per hour, up 25 cents from last July, while livestock workers earned \$8.75 per hour compared with \$8.57 a year earlier. The Field and Livestock worker combined wage rate, at \$8.50 per hour, was up 24 cents from last year. The number of hours worked averaged 39.3 hours for hired workers during the survey week, down 1 percent from a year ago.

WORKERS ON FARMS, HOURS WORKED PER WEEK, AND WAGE RATES FOR ALL HIRED WORKERS, LAKE REGION AND UNITED STATES, JULY 2004

| | Lake Region 1/ | | United States 2/ | |
|---|-------------------|--------------------|-------------------|--------------------|
| | July 6-12 2003 | July 11-17 2004 | July 6-12 2003 | July 11-17 2004 |
| Workers on Farms All Hired Workers | 1,000 Workers | | | |
| | 62 | 69 | 1,263 | 1,293 |
| Hours Worked All Hired Workers | Hours Per Week | | | |
| | 36.2 | 36.4 | 39.8 | 39.3 |
| Workers By Work Type | Dollars Per Hour | | | |
| | Field | 8.29 | 8.17 | 8.42 |
| | Livestock | 9.13 | 8.57 | 8.75 |
| | Field & Livestock | 8.55 | 8.26 | 8.50 |
| | All Workers | 9.30 | 8.88 | 9.10 |

1/Lake Region = Minnesota, Michigan, and Wisconsin. Excludes agricultural service workers. 2/Excludes Alaska.



**POULTRY: LAYERS AND EGG PRODUCTION BY
DISTRICT, MINNESOTA 2003**

| District | Annual Average Layers | Total Egg Production |
|------------------|-----------------------------|----------------------------|
| | Number | 1,000 Eggs |
| Northwest | 978,000 | 258,000 |
| West Central | 293,000 | 78,000 |
| Central | 6,961,000 | 1,850,000 |
| Southwest | 175,000 | 46,000 |
| Southeast | 199,000 | 52,000 |
| Other Districts | 2,578,000 | 678,000 |
| MINNESOTA | 11,184,000 | 2,962,000 |

**AUGUST MILK OUTPUT UP SLIGHTLY IN
MINNESOTA**

Totaling 670 million pounds, the state's August milk production was up less than half of 1 percent from August 2003.

Output per cow was 1,440 pounds in August, up 20 pounds from last August. Milk cows for August averaged 465,000 head, the same as July, but 5,000 below a year ago.

August 2004 milk output in the 20 major states was 12.39 billion pounds, up 1 percent from August 2003. Milk cows in the 20 states averaged 7.77 million head, down 5,000 from the previous year. At 1,595 pounds, production per cow was 24 pounds greater than August 2003.

JULY/AUGUST 2004 MILK STATS

| State | Milk Production | | Percent of Previous Year | |
|------------------|----------------------|------------|-----------------------------|------------|
| | July | August | July | August |
| | --- Million Lbs. --- | | --- Percent --- | |
| California | 3,078 | 3,076 | 104 | 104 |
| Idaho | 794 | 802 | 104 | 105 |
| Minnesota | 679 | 670 | 98 | 100 |
| New York | 997 | 981 | 98 | 99 |
| Pennsylvania | 844 | 826 | 98 | 98 |
| Wisconsin | 1,866 | 1,854 | 98 | 99 |
| 20 States | 12,541 | 12,387 | 101 | 101 |

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Douglas Hartwig
Director

Eddie Oaks
Deputy Director